

Exhibit 16

Redacted

From: [REDACTED]@google.com> on behalf of [REDACTED]
Sent: Thursday, November 19, 2009 11:05 PM
To: [REDACTED]
Cc: [REDACTED] <[REDACTED]>
Subject: Re: [REDACTED] Why Android Could Fail

Let's not talk about markets and market share via email.

See: [REDACTED]
Five Rules of Thumb for All Written Communications at Google

Redacted

2009/11/19 [REDACTED]@google.com>
2009/11/19 [REDACTED]@google.com>

In my personal experience with cupcake, android platform is not that reliable. There is a long way to go for us to get substantial mobile phone market share.

We already have substantial mobile phone market share.

my \$0.02

[REDACTED]

2009/11/19 [REDACTED] <[REDACTED]@google.com>:

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> 2009/11/19 [REDACTED]@google.com>
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>> http://itmanagement.earthweb.com/features/article.php/12297_3849121_2/Why-Android-Could-Fail.htm
>> Why Android Could Fail
>> By Mike Elgan
>> November 18, 2009
>>
>> Back in May, when everyone was hailing the coming age of the Palm Pre, I

>> predicted --correctly, it turns out -- that the Pre would fail.
 >>
 >> With 20/20 hindsight, that prediction sounds non-controversial. But at the
 >> time it sounded crazy to many, and I got a lot of hate mail for it.
 >>
 >> After all, the Pre was viewed as essentially an iPhone, but with a
 >> physical keyboard and a more sophisticated user interface. The reason most
 >> pundits got it wrong is that they made the classic mistake of ignoring both
 >> market segmentation and human nature. The fallacy that most observers fall
 >> into is the mistaken belief that good product = market success.
 >>
 >> The gold standard for market success in the cell phone handset market is,
 >> of course, the Apple iPhone. In today's market, as I pointed out in my Palm
 >> Pre prediction, only three things count: brand appeal, simplicity and
 >> applications.
 >>
 >> In all three of these measures, the iPhone earns an A+. Apple has a top
 >> brand, easiest-to-use phone and the most and best applications. As a result,
 >> the iPhone is steadily -- and predictably, I might add -- devouring the
 >> smart phone market with no sign of slowing down.
 >>
 >> This is the problem competitors face with creating the elusive "iPhone
 >> killer." In order to beat the iPhone, a cell phone would have to at minimum
 >> equal the iPhone in two of these measures, and surpass it in the third. In
 >> other words, an iPhone Killer would have to, say, be associated with as good
 >> a brand as the Apple and iPhone brands, be every bit as simple to use as the
 >> iPhone, and have more applications.
 >>
 >> See what a challenge this would be? How will any competitor achieve this?
 >>
 >> Microsoft, for example, has a pretty good brand, with both Microsoft and
 >> Windows as part of its Windows Mobile platform branding. But Windows Mobile
 >> gets a C on user simplicity, and a D- on the apps experience. That's why
 >> Windows Mobile is a market loser, falling from 11.1 percent market share in
 >> the third quarter of last year, to 7.9% this year. (During that same period,
 >> Apple's iPhone rose from 2.8 percent share last year to 13.3 percent this
 >> year.)
 >>
 >> The success of the Android-based cell phones is much harder to predict,
 >> because so much about future products -- and which companies will build them
 >> -- is unknown. But even without that information, Android has serious
 >> disadvantages. So far, Google is failing in two of the three measures: Brand
 >> appeal and simplicity. And the jury's still out on applications.
 >>
 >> Specifically, here are the potential barriers to Google's Android success.
 >>
 >> The Brand Problem
 >>
 >> Google blew it by inventing the word "Android" to describe their platform.
 >> Google is a great brand, Android is a loser brand. The reason: it's not one
 >> that will usually be directly used by consumers to describe the phone

>> itself. For example, all iPhone OS phones are iPhones. iPhone is the brand.

>> Clear. Simple.

>>

>> Android is the "platform," but phones will be sold under other brands.

>> Google says that there are or will soon be at least 18 different phones

>> running Android. Worse, different brand names have been contrived for the

>> same phones running in different countries or versions.

>>

>> Android is barely getting started, and already the platform is associated

>> with the following phone brands: Xperia X10a, Eve, Eris, Desire, One,

>> Streak, Calgary, Motus, Dragon, Liquid, A1, Moment, Behold, DROID,

>> Milestone, Archos, CLIQ, DEXT, Spica, Galaxy Lite, i5700, Pulse, Mini i3,

>> Hero, Tattoo, Galaxy, Magic, myTouch, 3G, Dream and G1.

>>

>> By the end of next year, there could be 50 or even 100 devices running on

>> some version of the Android platform.

>>

>> And because the Android platform is free and uncontrolled, it will be the

>> platform of choice for bargain-basement, junk devices. The worse these

>> phones are, the more they'll emphasize the Google and Android brands in

>> their own marketing. They'll try to bask in the Google glow. But what

>> they'll do is tarnish the reputation of the platform.

>>

>> A technical person who doesn't know or care about marketing might look at

>> all this and think, great! Look at all those phones. But this is a disaster

>> for the platform because of a simple facet of human nature.

>>

>> The Simplicity Problem

>>

>> When confronted by brand confusion or complexity, consumers freeze.

>>

>> Technical people, industry insiders and others casually dismiss this

>> nugget of truth from behavioral psychology, even though it explains half the

>> mysteries about why some consumer products succeed while others fail. The

>> phenomenon was laid out beautifully by Barry Schwartz in his book, "The

>> Paradox of Choice: Why More Is Less."

>>

>> Google's model of providing the platform, and enabling any hardware maker

>> to do anything they want with it without Google's permission or even

>> knowledge, sounds great. It's a recipe for innovation.

>>

>> Unfortunately, innovation doesn't always lead to handset market success.

>> People want easy, not innovative.

>>

>> When the average consumer decides to buy a cell phone, he or she is

>> confronted with a dizzying array of choices. Which of the several national

>> carriers? Which of the dozens of wireless plans? Which of the hundreds of

>> cell phone handsets?

>>

>> Consumers are exhausted and confused by the choices. Then along comes

>> Apple: "We're Apple. Here's our phone. Here's the plan. Here's the carrier.

>> It's number-one. We have the most apps. Just choose iPhone, and you don't
>> have to make any other decisions."

>>

>> Apple wins because they offer clarity and simplicity. The Android platform
>> offers the opposite: confusion and complexity. Which brings us to apps.

>>

>> The App Problem

>>

>> Google's approach also threatens to undermine even the App experience for
>> users. The problem is that because of Android's Wild West approach to
>> hardware development, there are now devices running three versions of the
>> OS, a wide range of custom firmware and significant differences in things
>> like screen resolution and the like.

>>

>> It's already difficult, expensive and time consuming to develop on the
>> Android platform. As a result, we can expect three bad outcomes: First,
>> consumers will face uncertainty and confusion about which apps can
>> successfully run on what devices. Second, the complexity, time and hassle of
>> coping with multiple OS versions and many hardware variations provides a
>> disincentive for many would-be developers to stick with it. And finally,
>> providing real compatibility requires extra code, which could affect app
>> performance.

>>

>> Will Android fail? It's hard to say. Nobody knows if some company might
>> come along and belt one out of the park with some spectacular product.

>>

>> But this much we do know: Google faces colossal challenges in all three of
>> the factors that determine success in the cell phone handset market:
>> Branding, simplicity and apps. If Google does succeed, it won't be easy.

>

> The article has some points to think about. However, going by the reasoning
> in this article, in the computer world, Apple Macs should be the only thing
> that sells, and PCs should be dying?

>>

>>

>> Cheers/Pyrsk,

>> Michał

>> ### ConOps Dublin + Shared Services + Online Help ###

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